

D.T.E. 03-47-B

Petition of Commonwealth Electric Company, Cambridge Electric Light Company, and Boston Edison Company, d/b/a NSTAR Electric, and NSTAR Gas Company, for approval of tariffs to provide recovery for costs associated with their obligations to provide employees pension benefits and post-retirement benefits other than pensions.

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FOR: COMMONWEALTH ELECTRIC COMPANY,
CAMBRIDGE ELECTRIC LIGHT COMPANY,
BOSTON EDISON COMPANY, and
NSTAR GAS COMPANY
Petitioners

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I. INTRODUCTION

On December 1, 2003, Boston Edison Company, Commonwealth Electric Company, Cambridge Electric Light Company, and NSTAR Gas Company (collectively, “Companies”) filed with the Department of Telecommunications and Energy (“Department”) two items (“Compliance Filing”): (1) compliance tariffs to establish for each company a pension and post-retirement benefits other than pensions (“PBOP”) adjustment mechanism established in Boston Edison Company/Commonwealth Electric Company/Cambridge Electric Light Company/ NSTAR Gas Company, D.T.E. 03-47-A (2003); and, (2) the Companies’ first annual pension and PBOP adjustment for effect January 1, 2004 (“2004 Pension/PBOP Adjustment”). On December 10, 2003, the Department received comments from the Attorney General requesting that the Compliance Filing not be approved. On December 22, 2004, the Department received affidavits from staff members of the Attorney General in further support of his opposition to approval of the Compliance Filing.

II. DESCRIPTION OF PROPOSED TARIFFS AND 2004 PENSION/PBOP ADJUSTMENT

According to the Companies, the compliance tariffs implement the Department’s directives in D.T.E. 03-47. The Companies also explain that their 2004 Pension/PBOP Adjustment is computed for each of the Companies in accordance with the formula included in the tariffs and the directives of the Department set forth in D.T.E. 03-47.

III. ANALYSIS AND FINDINGS

The Department determines that further investigation is necessary into the Compliance Filing. The Department finds, however, that the tariffs filed by the Companies on December

1, 2003, for service on and after January 1, 2004, are in compliance with D.T.E. 03-47.

Therefore, the tariffs and the rate changes are allowed subject to review and reconciliation pursuant to the Department's ongoing investigation.

IV. ORDER

After due notice and consideration, it is

ORDERED: That the tariff filed by Boston Edison Company with the Department on December 1, 2003, M.D.T.E. No. 109, is APPROVED; and it is

FURTHER ORDERED: That the tariff filed by Commonwealth Electric Company with the Department on December 1, 2003, M.D.T.E. No. 309, is APPROVED; and it is

FURTHER ORDERED: That the tariff filed by Cambridge Electric Light Company with the Department on December 1, 2003, M.D.T.E. No. 209, is APPROVED; and it is

FURTHER ORDERED: That the tariff filed by NSTAR Gas Company with the Department on December 1, 2003, M.D.T.E. No. 406, is APPROVED; and it is

FURTHER ORDERED: That the rate changes for Boston Edison Company, Commonwealth Electric Company, Cambridge Electric Light Company, and NSTAR Gas Company are APPROVED subject to reconciliation pursuant to the Department's investigation; and it is

FURTHER ORDERED: That Boston Edison Company, Commonwealth Electric Company, Cambridge Electric Light Company, and NSTAR Gas Company comply with any and all other directives contained in this Order.

By Order of the Department,

Paul G. Afonso, Chairman

James Connelly, Commissioner

W. Robert Keating, Commissioner

Eugene J. Sullivan, Jr., Commissioner

Deirdre K. Manning, Commissioner